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NSC BRIEFING

5 October 1960

BERLIN SITUATION

- I. Bonn's termination of its trade agreement with East Germany, announced on 30 September to take effect 31 December, will not result in immediate actual stoppage of shipments of goods.
  - A. No decision has been made on whether a new agreement with East Germany would be negotiated, if Communist harassment of West Berlin continues, or whether any definite moves would be made against interzonal shipments during the remainder of 1960.
  - B. Bonn cabinet even recognized possibility that interzonal trade could continue after 31 December--when the nullification of existing agreements takes effect.
- II. Bonn and West Berlin authorities are discussing plan designed to strengthen West Berlin's position.
  - A. If a new trade pact is negotiated, they are considering insisting on provision that all interzonal shipments go through West Berlin, thereby making it difficult for East Germany to tamper with Berlin access routes without blocking their own imports, including vital iron and steel from the Federal Republic.
  - B. Bonn has publicly hinted that continued Communist harassments in Berlin may affect USSR-West German trade negotiations for 1961 goods exchange, scheduled for 17 October.
  - C. Federal Republic is seeking assurance from its allies that they will not take advantage of the trade agreement cancellation to fill the gap.

DOCUMENT NO. 5  
NO CHANGE IN CLASS. ☐  
☒ RECLASSIFIED  
CLASS. CHANGED TO: TS S C  
EXPIRATION DATE: \_\_\_\_\_  
AUTHORITY: \_\_\_\_\_

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- III. Representatives of the western Allies have expressed varying degrees of doubt as to the appropriateness and timing of any economic countermeasures by Bonn against East German travel restrictions to Berlin.
- A. Nevertheless, have stated their readiness to cooperate in implementing any agreed and fully considered measures.
- IV. Initial East German reaction has been cautious, possibly because the Communists are unprepared to make any specific countermoves while Khrushchev is preoccupied at UN.
- A. Ulbricht, in his 4 October statement, while strongly emphasizing East Germany's claims to "sovereignty" over East Berlin and demanding establishment of "free city" of West Berlin, gave no indication of what countermeasures will be taken to offset Bonn's announced intention to cancel trade exchanges.
- B. The regime, meanwhile, has continued its pinpricks against West Berlin; the latest move--made on 23 September--requires West Berliners visiting the Steinstuecken enclave south of the city to acquire special permits and describes the enclave for the first time as "being in Potsdam district."

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